

Important Message Regarding New Employees and Tier 2

Dear Employers:

During the 2012 legislative session, the Wyoming State Legislature created a “second tier” (Tier 2) of benefits for members of the Public Employee Pension Plan hired on or after September 1, 2012. The determining factor in whether a new employee will fall under the existing Tier 1 or the newly developed Tier 2 will be receipt of August contributions by the Wyoming Retirement System (WRS) on behalf of a member. In order to be placed in Tier 1, WRS must receive from employers clear indication of hours worked and contributions paid for new hires in August in order for those employees to be subject to the Tier 1 benefit structure. New hires for whom WRS does not receive specific contributions for actual time worked in August will be subject to Tier 2.

The following are examples of situations in which employers will want to ensure WRS receives accurate August data: a school district employee whose contract technically begins in September, but who actually begins work in August; an employee hired by an employer that has a bi-weekly payroll and who actually begins work in August; an employee hired after the payroll cutoff for August but who actually begins work in August. Employers whose new hires fall into one of these or a similar category will want to ensure that the August hours and contributions are clearly identified and reported in order for that member to be subject to Tier 1 (please see the benefit summary below).

In order to alleviate confusion, WRS is requesting your agency submit:

- A separate August payroll for the days a new hire was employed prior to September 1;
- Or, if you include the August contribution on the September payroll, you must provide a separate spreadsheet which includes all affected employees along with detail of the salary, contributions and hours for August.

Remember, this is for NEW EMPLOYEES only. New employees will be placed in Tier 2 if there is no supporting documentation showing contributions paid and hours worked for August.

If you have any questions regarding this change, please contact Renee Winfrey prior to submitting your payroll at renee.winfrey@wyo.gov. Thank you for your assistance.

BENEFIT SUMMARY FOR BOTH TIERS

	TIER 1 Current Members Hired on or Before 8/31/2012 (with a contribution for August)	TIER 2 New Members Hired on or After 9/1/2012
Multiplier	2.125% for first 15 years and 2.25% for years above 15	2% for all years
Highest Average Salary	3 year highest average salary	5 year highest average salary
Retirement Age	age 60 or rule of 85	age 65 or rule of 85